

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 26099-26105**

**MRC’S CONSOLIDATED PRE-HEARING STATEMENT**

MRC Permian Company (“MRC” or “Applicant”), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

MRC Permian Company  
 (“MRC”)

**ATTORNEY**

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**APPLICANT’S STATEMENT OF THE CASES**

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the following proposed horizontal well spacing units underlying acreage within Township 24 South, Range 36 East, and Township 25 South, Range 36 East, NMPM, Lea County, New Mexico:

- Under **Case No. 26099**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Bone Spring formation [this is a wildcat pool, to be assigned by the Division] underlying the W/2 W/2 of Section 33, Township 24 South, Range 36 East, and Lot 4, the SW/4 NW/4, and the W/2 SW/4

(W/2 W/2 equivalent) of irregular Section 4 and the W/2 W/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 211H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 28, T24S-R36E, with a first take point in the NW/4 NW/4 (Unit D) of Section 33, T24S-R36E, and a last take point in the SW/4 SW/4 (Unit M) of Section 9, T25S-R36E.

- Under **Case No. 26100**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Bone Spring formation [this is a wildcat pool, to be assigned by the Division] underlying the E/2 W/2 of Section 33, Township 24 South, Range 36 East, and Lot 3, the SE/4 NW/4, and the E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4 and the E/2 W/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 212H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 28, T24S-R36E, with a first take point in the NE/4 NW/4 (Unit C) of Section 33, T24S-R36E, and a last take point in the SE/4 SW/4 (Unit N) of Section 9, T25S-R36E.
- Under **Case No. 26101**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Bone Spring formation [this is a wildcat pool, to be assigned by the Division] underlying the W/2 E/2 of Section 33, Township 24 South, Range 36 East, and Lot 2, the SW/4 NE/4, and the W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4 and the W/2 E/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 213H** well, to be horizontally drilled from a surface location in the S/2 SE/4 of Section 28, T24S-R36E, with a first take point in the NW/4 NE/4 (Unit B) of Section 33, T24S-R36E, and a last take point in the SW/4 SE/4 (Unit O) of Section 9, T25S-R36E.

- Under **Case No. 26102**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Bone Spring formation [this is a wildcat pool, to be assigned by the Division] underlying the E/2 E/2 of Section 33, Township 24 South, Range 36 East, and Lot 1, the SE/4 NE/4, and the E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4 and the E/2 E/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 214H** well, to be horizontally drilled from a surface location in the S/2 SE/4 of Section 28, T24S-R36E, with a first take point in the NE/4 NE/4 (Unit A) of Section 33, T24S-R36E, and a last take point in the SE/4 SE/4 (Unit P) of Section 9, T25S-R36E.
- Under **Case No. 26103**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Barnett formation [this is a wildcat pool, to be assigned by the Division] underlying the E/2 W/2 of Section 33, Township 24 South, Range 36 East, and Lot 3, the SE/4 NW/4, and the E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4 and the E/2 W/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 812H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 28, T24S-R36E, with a first take point in the NE/4 NW/4 (Unit C) of Section 33, T24S-R36E, and a last take point in the SE/4 SW/4 (Unit N) of Section 9, T25S-R36E.
- Under **Case No. 26104**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Woodford formation [this is a wildcat pool, to be assigned by the Division] underlying the E/2 W/2 of Section 33, Township 24 South, Range 36 East, and Lot 3, the SE/4 NW/4, and the E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4 and the E/2 W/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps**

**Federal Com 912H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 28, T24S-R36E, with a first take point in the NE/4 NW/4 (Unit C) of Section 33, T24S-R36E, and a last take point in the SE/4 SW/4 (Unit N) of Section 9, T25S-R36E.

- Under **Case No. 26105**, MRC seeks an order pooling the uncommitted interest owners in a standard 480-acre, more or less, horizontal well spacing unit in the Woodford formation [this is a wildcat pool, to be assigned by the Division] underlying the W/2 E/2 of Section 33, Township 24 South, Range 36 East, and Lot 2, the SW/4 NE/4, and the W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4 and the W/2 E/2 of Section 9, Township 25 South, Range 36 East. MRC seeks to dedicate this horizontal spacing unit to the proposed **Phelps Federal Com 913H** well, to be horizontally drilled from a surface location in the S/2 SE/4 of Section 28, T24S-R36E, with a first take point in the NW/4 NE/4 (Unit B) of Section 33, T24S-R36E, and a last take point in the SW/4 SE/4 (Unit O) of Section 9, T25S-R36E.

The completed interval for the wells will comply with statewide setbacks for oil. MRC has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
David Johns, Landman	Self-Affirmed Statement	Approx. 6
Andrew Parker, Geologist	Self-Affirmed Statement	Approx. 3

**PROCEDURAL MATTERS**

MRC does not anticipate opposition to these matters and requests that they be consolidated for a hearing by self-affirmed statements.

Respectfully submitted,

HOLLAND & HART LLP

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 580689

**QUESTIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 580689
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>